

Short and long-term (annual and three-year) incentive schemes based on financial instruments: proposal to set a portion of the variable remuneration of “Key Personnel” by assigning ordinary shares of the Parent, UBI Banca, and a proposal to purchase shares to service the incentive scheme in accordance with the regulations in force;

Dear Registered Shareholders,

As described in Section I of the Remuneration Report, the Parent has reviewed and updated its remuneration and incentive policies for 2015.

With particular reference to Key Personnel, the new perimeter has been redefined on the basis of the criteria introduced by Delegated Regulation (EU) No. 604 of 4th March 2014, divided into categories with differing characteristics and treatments. There is a short-term incentive scheme for the Top and Core categories, with a remuneration structure that complies with the principles set out in the relevant regulations:

- the deferral of payment of a portion of between 40% and 60% of the variable component of remuneration linked to incentive schemes;
- the grant of financial instruments for a portion equal to at least 50% of the same variable remuneration, setting an adequate period of staff retention for this (between 3 and 5 years), in order to align the incentives to the Bank's medium to long-term interests.

Furthermore, a long-term incentive scheme (LTIS) on a three yearly basis will be introduced from 2015, intended to bring the interests of management increasingly into line with those of shareholders, with a view to creating value in both the long and short terms, in compliance with legislation and regulations in force and best market practices.

The beneficiaries are a small number of Top Managers among the Key Personnel, on the basis of the strategic position occupied in policy terms over the governance of the Group and their impact on the main business areas.

The structure of the bonus payout for the long-term variable component provides for:

- 60% to be paid in financial instruments at the end of the three year performance measurement period, with a two-year retention period;
- 40% to be paid in financial instruments, deferred by two years and with a one-year retention period;

The mechanism that has been identified for granting financial instruments is the grant of treasury shares held by the Parent (with the cost charged to the single companies in which the employee in receipt of the shares works).

On the basis of regulatory provisions concerning the use of financial instruments linked to incentive schemes for Key Personnel, 1,700,000 ordinary shares of UBI Banca were purchased to implement resolutions passed by the Shareholders' Meetings of 30th April 2011 (1,200,000 shares at the average price of €3.6419) and 28th April 2012 (500,000 shares at the average price of €3.4911).

Of these, on 1st July 2014 UBI Banca granted 216,808 treasury shares at the end of the two-year retention period for the upfront component of the 2011 incentive scheme to be paid in financial instruments.

Of the 1,483,192 treasury shares remaining, a total of 348,262 shares have been committed, of which 144,528 for the purposes of paying the deferred portion of the 2011 incentive scheme, 89,010 for the 2012 incentive scheme and 114,714 for the 2013 incentive scheme.

The funding requirement for the payment of bonuses in relation to estimates of the 2014 incentive scheme based on preliminary data, should amount to approximately 232,676 shares, the estimate of remaining shares amounts to 902,254 which, considering the theoretical estimates of the requirement for the 2015 incentive scheme, is found to be ample and sufficient to fulfil requirements for the payment of the same.

The remainder of the shares purchased previously shall be used to cover the long-term variable component to be paid in financial instruments. A proposal has also been submitted for approval at today's Shareholders Meeting to authorise the Management Board to purchase an additional maximum number of 1,000,000 ordinary shares of UBI Banca for a total maximum amount of €6,000,000.

In relation to the above amount you are reminded of the following:

- on the basis of paragraph 33 of IAS 32 "Financial instruments: disclosure and presentation", treasury shares that are purchased must be deducted, in the accounts, from equity;
- in accordance with provisions of articles 2357 and following of the Italian Civil Code, purchases must be made within the limits of the distributable profits and of the available reserves reported in the last duly approved financial statements. A separate profit reserve shall be created within equity for this purpose.

Following the purchase of the treasury shares, the amount in question shall be deducted from the separate reserve created.

Furthermore, the UBI Banca shares shall be purchased in the manner specified in paragraph 1, letter b) of Art. 144 *bis* of the Issuers' Regulations - issued in implementation of paragraph 1 of Art. 132 of the Consolidated Finance Act - namely, the purchase on regulated markets following operational procedures that guarantee equal treatment of shareholders and do not allow the direct linking of proposals to purchase to predetermined proposals to sell.

In any event these purchases must be made by the date of the Shareholders Meeting convened to decide, in accordance with Art. 2364-*bis*, No. 4 of the Italian Civil Code, the use of profits for the year ended 31st December 2015 - after first approving the Annual Report for the year, but only if the Annual Report has not already been approved by the Supervisory Board - at a price not lower than €2.50 per share (share capital divided by the number of shares issued) and not more than 5% higher than the official price quoted in the market session prior to each individual transaction.

* * *

Dear Registered Shareholders,

In relation to the above, the Management Board therefore proposes that the ordinary Shareholders' Meeting approves the following resolution:

"The Shareholders' Meeting of Unione di Banche Italiane Scpa,

- *having considered the proposal of the Management Board;*
- *having taken account of the provisions of the law, of the Articles of Association and of the regulations issued by the national commission for companies and the stock exchange (Consob - Italian securities market authority) concerning the purchase of treasury shares;*

RESOLVES

1. *to approve the 2015 short and long-term incentive schemes based on financial instruments, with the payment of components of variable remuneration through the grant of ordinary shares of the Parent, UBI Banca to the categories of Key Personnel as described above.*
2. *to authorise the Management Board and the Chairman, Deputy Chairman and Chief Executive Officer individually on its behalf, to proceed with one or more transactions - to be carried out by the date of the Shareholders' Meeting convened to decide, in accordance with Art. 2364-bis, No. 4 of the Italian Civil Code, on the distribution of profits for the year ended 31st December 2015 (after first approving the Annual Report for the year, but only if the Annual Report has not already been approved by the Supervisory Board) in the manner specified in paragraph 1, letter b), of Art. 144-bis of the Issuers' Regulations, namely by purchase on regulated markets following operational procedures that guarantee equal treatment of shareholders and do not allow proposals to purchase to be directly linked to predetermined proposals to sell - for the purchase of a maximum of 1,000,000 treasury shares for a total maximum value of €6,000,000, at a unit price of not less than €2.50 and not more than 5% higher than the official price quoted in the market session prior to each individual purchase transaction;*
3. *to grant the Management Board and on its behalf the Chairman, Deputy Chairman and Chief Executive Officer, individually, all the necessary powers required to implement the resolution in compliance with the applicable regulations of the authorities concerned."*

24th February 2015

THE MANAGEMENT BOARD

Information document pursuant to Art. 84-bis of the Issuers' Regulations - Short-term incentive plan (annual)

Introduction

In compliance with the requirements of Art. 114-*bis* of Legislative Decree No. 58 of 24th February 1998 (the "Consolidated Finance Act") and the requirements of the Issuers' Regulations adopted by Consob Resolution No. 11971 of 14th May 1999 (the "Issuers' Regulations") concerning the information to be disclosed to the market in relation to remuneration schemes based on financial instruments, this Information Document (the Information Document) has been prepared to provide details of the implementation of a scheme that provides for the payment of the variable component of the remuneration for the Top and Core Key Personnel of the UBI Banca Group, identified in accordance with criteria provided for in Delegated Regulation (EU) No. 604 of 4th March 2014, through the grant of ordinary shares of the Parent UBI Banca (the "Short-term Scheme"), proposed in context of the remuneration and incentives policies of the Group and submitted for approval to the Shareholders' Meeting of 24th April 2015 in first call and 25th April 2015 in second call.

This Information Document - prepared in accordance with Schedule 7 of Annex 3A of the Issuers' Regulations - provides information to the public on the conditions established for the implementation of the Scheme.

According to the definition contained in Art. 84-*bis* of the Issuers' Regulations, the Scheme qualifies as a "significant scheme", due to the nature of its beneficiaries.

Definitions

The meaning of some terms used in the Information Document is given below.

Shareholders' Meeting - The Shareholders' Meeting of UBI Banca that will approve the Scheme

Beneficiaries - Employees of UBI Banca or the Group categorised as Top or Core Key Personnel, in accordance with the provisions of the 2015 Group Remuneration and incentives policy.

Clawback: mechanism that provides for the repayment of a bonus that has already been paid out.

Remuneration Committee - the committee required by the Corporate Governance Code, the composition and functions of which are described in the Corporate Governance Report pursuant to Art. 123-*bis* of the Consolidated Finance Act and in the Report on Remuneration prepared in accordance with Art. 123-*ter* of the Consolidated Finance Act and Art. 84-*quater* of the Issuers' Regulations.

Common Equity Tier 1 (CET 1) - in terms of regulatory capital, this is the highest quality core capital (composed of the total ordinary shares issued by the Bank that satisfy the regulatory classification criteria, share premium reserves, retained profits, valuation reserves and other reserves recognised) net of the deductions required by the regulations as a ratio of Risk Weighted Assets (RWA).

"Gate" - condition required to trigger incentive schemes, related to Group capital stability and liquidity indicators.

Leverage Ratio (LR) - Financial leverage calculated as the ratio of Tier I fully loaded and the degree of total exposure including all the assets and off-balance sheet items not deducted pursuant to article 429 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26th June 2013 (CRR).

Pending application of the requirement, subject to approval by the European Council and Parliament of a specific proposal for legislation based on a report which must be submitted to the Commission by the end of 2016, the level of the indicator set by the Basel 3 framework is used as the value for risk capacity.

Liquidity Coverage Ratio (LCR) - indicator designed to ensure that a Bank maintains sufficient high quality liquid assets available which can be converted into cash to meet liquidity requirements over a period of 30 days in a stress scenario defined by the Supervisory Authority. It is defined as the ratio of

the stock of “available high quality liquid assets” and the sum of “net cash outflows over a time horizon of 30 days, estimated in a context of normal business and supplemented by situations of stress”.

Targets - performance indicators defined in the 2015 Group Remuneration and incentive policies and detailed in the regulations of each beneficiary, the achievement of which (subject to the triggering of entry thresholds or “gates”) is a condition for the financial instruments to be granted.

Net Stable Funding Ratio (NSFR) - indicator of structural balance designed to monitor and contain risk associated with the transformation of maturities within a tolerance threshold considered acceptable by the Group.

It is the ratio of funding (liabilities) to weighted lending (assets), which takes account of the stability of the liabilities and the degree of liquidity of the assets.

Top Key Personnel, including the Chief Executive Officer and General Manager of UBI Banca, the highest levels of the functions of the Parent (with the exclusion of the control functions) and the top management of the main legal entities in the Group.

Core Key Personnel, whose activities may have significant impacts on the risk profile of the Bank or cover control functions at the first level of the Parent.

Total Shareholder Return (TSR) – expresses the increase in the value of the share, calculated for the purposes of the short-term incentive scheme as a percentage difference between the daily average in December 2015 and the daily average in December 2014, including the value of any dividends paid (excluding the possibility that they could be reinvested). They are compared with banks in the reference benchmark that are listed in regulated markets, on the basis of the quartile positioning of the UBI Banca Group. The method provides for normalisations in the event of exceptional circumstances (e.g. increases in capital).

Return On risk-adjusted capital (RORAC) - expresses the profitability in percentage terms of capital at risk calculated as the ratio between NOPAT (net operating profit after tax) and average allocated (budgeted) capital or average absorbed (actual) capital.

Profit on continuing operations before tax (POCBT) is considered net of extraordinary and non-recurring items.

Normalised net profit, adjusted for the cost of capital “delta”: calculated as the algebraic sum of the net profit in the income statement - net of non-recurring extraordinary items and the cost relating to incentive schemes - and of the (positive or negative) difference between the absorbed and allocated capital, measured on the basis of the cost of capital (set at 10.31% for 2015).

Normalised net profit (NNP) is considered net of non-recurring extraordinary items and the cost relating to incentives schemes.

1. BENEFICIARIES

The potential beneficiaries of the Scheme are the staff of UBI Banca and its major subsidiaries categorised as Top and Core Key Personnel in the UBI Banca Group, consisting of 51 positions in 2015.

1.1 The names of the beneficiaries who are members of the Board of Directors or the Management Board of the issuer of the financial instruments, of the companies controlling the issuer, and of the companies controlled, directly or indirectly, by the issuer.

The Chief Executive Officer of UBI Banca, *Dott.* Victor Massiah, the General Manager, *Dott.* Francesco Iorio and the Senior Deputy General Manager, *Dott.* Elvio Sonnino are among the potential beneficiaries of the Scheme.

Furthermore, some of the beneficiaries of the Scheme - who are employees of the UBI Banca Group - in addition to carrying out managerial duties related to their roles, also hold positions within the managing bodies of the companies directly or indirectly controlled by UBI Banca. Given that these persons qualify as potential beneficiaries of the Scheme in their capacity as employees of the UBI Banca Group, they are not named in this section, but the information provided below refers to them.

1.2 The categories of employees or associate workers of the issuer of the financial instruments and of the companies controlling or controlled by the issuer.

The Scheme also covers the following categories of employees of UBI Banca and certain of the Group companies:

- Top Key Personnel, including the highest levels of the functions of the Parent (with the exclusion of the control functions) and the top management of the Group companies listed below.
- Core Key Personnel, including the first levels of the control functions and Areas of the Parent, as well as some positions in Banks and Companies with the greatest impact on the Group as defined in the 2015 Remuneration and incentive policy.
- The companies in the UBI Banca Group involved in the scheme are as follows: Banca Popolare di Bergamo Spa, Banco di Brescia Spa., Banca Popolare Commercio e Industria Spa, Banca Regionale Europea S.p.A, Banca Popolare di Ancona Spa, Banca Carime Spa, Banca di Valle Camonica Spa, UBI Banca Sistemi e Servizi Soc. Cons.pa., UBI Banca Pramerica SGR Spa., UBI Banca Leasing Spa, UBI Banca Factor Spa, IW Bank Spa, Prestitalia, UBI Banca International.

1.3 The names of the persons who benefit from the plan belonging to the following groups:

- a) general managers of the issuer of financial instruments;**
- b) other key management personnel of the issuer of financial instruments which is not of “small dimensions”, pursuant to article 3, paragraph 1, letter f) of Regulation No. 17221 of 12th March 2010, where they have received total remuneration during the financial year (obtained by summing cash remuneration and remuneration based on financial instruments) that is higher than the total highest remuneration paid to members of the Board of Directors, or to the Management Board and to the General Managers of the issuer of financial instruments;**
- c) the natural persons controlling the issuer of shares, who are employees or work on contract within the issuer of shares.**

Dott. Francesco Iorio General Manager of UBI Banca is one of the potential beneficiaries of the Scheme.

1.4 Description and number, by category:

- a) key management personnel other than those indicated in letter b) of paragraph 1.3;**
 - b) for companies of “small dimensions”, pursuant to article 3, paragraph 1, letter f) of Regulation No. 17221 of 12th March 2010, information by total for all key management personnel of the issuer of financial instruments;**
 - c) any other category of employee or associate worker subject to different treatment under the Scheme (for example, executives, middle managers, office staff, etc.).**
- a) In addition to the members of the Management Board, the members of General Management (the Deputy General Manager - Chief of General Affairs and Subsidiaries; the Deputy General Manager - Chief Business Officer; the Deputy General Manager with executive positions at other banks), the Chief Audit Executive, the Chief Risk Officer, the Chief Financial Officer, the Chief Lending Officer and the Compliance Officer, numbering eleven beneficiaries.
 - c) The Scheme establishes different treatment for beneficiaries who belong to the highest management level of the corporate control functions.

2. THE REASONS FOR ADOPTION OF THE SCHEME

Details of the reasons underlying the adoption of the Scheme are given in the Remuneration Report prepared in accordance with article 123-ter of the Consolidated Finance Act and article 84-quater of the Issuers' Regulations, which may be consulted.

3. APPROVAL PROCESS AND TIMING OF GRANTS

3.1. Scope of the powers and functions assigned by shareholders to the Management Board for the purposes of the implementation of the Scheme

The remuneration and incentive policies of the UBI Banca Group were approved by the Supervisory Board in a meeting held on 3rd February 2015. at the time when the target bonuses for the beneficiaries of the Scheme were set.

3.2. Names of the parties assigned to administer the Scheme and their function and responsibilities

The Human Resources Area of UBI Banca is responsible for the administration of the Scheme.

The Bank of Italy Supervisory Provisions also assign the Remuneration Committee the task, in close collaboration with the body responsible for the control function, of overseeing the implementation of the rules governing the remuneration of the chiefs of the corporate internal control functions, and the task of providing an opinion, also with the aid of information received from the relevant corporate functions, on the achievement of the performance objectives linked to the incentive schemes and the satisfaction of the other conditions established for the payment of the remuneration.

3.3. Any existing procedures for the revision of the Scheme, with respect, amongst other things, to changes in the key objectives

There are no specific procedures for revision of the Scheme.

3.4. Description of the methods used to determine the availability and the granting of the financial instruments underlying the Scheme.

The mechanism provides for the use of a number of treasury shares held by the Parent (with the cost charged to the individual companies in which the beneficiaries of the shares work), corresponding to the maximum amount of the deferred bonuses to be paid. The shares will be "promised" to the beneficiaries by means of specific notification until they are actually granted at the end of each retention period. Under this mechanism the value of the bonus paid may vary according to the performance of the share price.

3.5. The role performed by each director in determining the features of the above mentioned schemes and the occurrence of any situations of conflicts of interest for the directors involved.

The Supervisory Board identified the key elements of the Scheme on the basis of the opinion issued by the Remuneration Committee of UBI Banca.

No member of UBI Banca Group senior management is involved in the approval of the resolutions adopted by the Supervisory Board and the Remuneration Committee.

3.6. For the purposes of the requirements of Article 84-bis, paragraph 1, the date of the decision made by the body responsible for proposing the approval of the schemes to the Shareholders' Meeting and the proposal by the remuneration committee, if present.

On 24th February 2015, the Management Board approved the proposal for the long-term scheme to be submitted to the Ordinary Shareholders' Meeting of UBI Banca, convened for 24th and 25th April in first and second call respectively, consistent with the remuneration and incentives policies of the UBI Banca Group, approved by the Supervisory Board on 3rd February 2015, on the basis of a recommendation made by the Remuneration Committee.

3.7. For the purposes of the requirements of Article 84-bis, paragraph 5, the date of the decision made by the body responsible for the assignment of the instruments and any proposal to the aforementioned body made by the remuneration committee, if present.

On 26th January 2015, the Remuneration Committee of UBI Banca voted on the 2015 Group Remuneration and incentive policies approved by the Supervisory Board on 3rd February 2015 and adopted by the Management Board on 11th February 2015.

3.8. The market price, recorded on the aforesaid dates, for the financial instruments on which the schemes are based, if traded in regulated markets.

The official market price of the ordinary shares of UBI Banca recorded on the dates of meetings of the Remuneration Committee (26th January 2015), the Supervisory Board (3rd February 2015) and the Management Board (11th February 2015) was €6.370, €6.044 and €6.323 respectively.

3.9. For plans based on financial instruments traded on regulated markets, what are the terms and procedures adopted by the issuer in determining the timing of the grant of the financial instruments to take account of coincidences in the timing of:

- i) the aforementioned grant or any related decisions taken by the remuneration committee, and**
- ii) the disclosure of any relevant information pursuant to Article 114, paragraph 1; for example, when the information is:**
 - a. not already public and capable of positively influencing the market prices,**
 - or**
 - b. already published and capable of negatively influencing market prices.**

During approval and implementation of the Scheme, information shall be disclosed to markets as required by the laws and regulations in force from time to time.

4. THE CHARACTERISTICS OF THE INSTRUMENTS GRANTED

4.1. Description of the structure of the remuneration schemes based on financial instruments.

The Scheme provides for 50% of the variable remuneration linked to short-term incentive schemes to be paid in the form of ordinary shares of UBI Banca, subject to retention and deferral clauses.

4.2. Specification of the Scheme's effective period of implementation, also with reference to any cycles established.

While the Scheme will be renewed annually, unless amended, the implementation period for the Scheme will start in 2015 and end in 2020 (2022 for the Chief Executive Officer), according to the following schedule:

- a) 2016: during the first quarter of 2016, the Human Resources Area shall assess the individual performance for 2015 of the Scheme's beneficiaries and submit the results to the decision-making bodies of the Group.
If the conditions for triggering the Scheme are met and the individual performance objectives are achieved, 50% of the variable component of the remuneration shall be

converted into shares and shall be subject to retention and deferment clauses that align the incentives to the Bank's long-term interests:

- 60% (40% for the Chief Executive Officer) of this variable component in shares will vest immediately and be subject to a retention clause until 2018;
 - the remaining 40% (60% for the Chief Executive Officer of UBI Banca) of the variable remuneration in shares will be deferred and subject to performance conditions over the period 2016-2018 (for the Chief Executive Officer of UBI Banca the deferral is extended to 2020);
- b) 2018: upon completion of the retention period, the 60% portion will be granted in the form of shares to the potential beneficiaries;
 - c) 2019: verification of the performance conditions (with the exclusion of the Chief Executive Officer of UBI Banca) over the period 2016-2017-2018 and if they are achieved, the remaining 40% shall be subject to a further retention period until 2020;
 - d) 2020: at the end of the retention period, the 40% portion will be granted in the form of shares to the potential beneficiaries;
 - e) 2021: with specific reference to the Chief Executive Officer of UBI Banca, verification of the performance conditions over the period 2016-2020 and if they are exceeded, the remaining 60% shall be subject to a further retention period until 2022;
 - f) 2022: at the end of the retention period, the remaining 60% portion will be granted to the Chief Executive Officer of UBI Banca in the form of shares.

When variable remuneration linked to the incentives scheme is earned amounting at the same time to less than €50,000 and less than 15% of fixed remuneration, an upfront payment is made, 50% of which is in shares with a two-year retention period.

4.3. End of the Scheme.

The implementation of the 2015 Scheme will end in 2022 for the Chief Executive Officer of UBI Banca and in 2020 for the remaining Key Personnel as defined above.

4.4. The maximum number of financial instruments, including those in the form of options, granted in each tax year in relation to the persons identified by name or the categories stated.

Taking as a reference the average monthly share price calculated 30 days before the date of the approval of the 2015 Remuneration and incentives policies (€5.93) and in consideration of the maximum remuneration that can be paid against the triggering of the incentives schemes and related performances, a maximum number of approximately 665,000 shares may potentially be granted.

4.5. Trigger procedures and clauses for the Scheme, specifying whether the grant of instruments is subject to conditions being met or the achievement of determined results, including performance related results; a description of those conditions and results.

Triggering of the Scheme is strictly linked to the satisfaction of conditions ("gates") that guarantee the capital stability and liquidity of the Group, specifically the Common Equity Tier 1, Net Stable Funding Ratio, Liquidity Coverage Ratio and Leverage Ratio. The incentive scheme is not, however, triggered if the financial statements show a loss on normalised amounts.

In addition to the "gates" set by the Group, there are performance indicators at Group and company level, particularly RORAC at Group level, which is also effective with reference to the Parent and to UBI Banca Sistemi e Servizi Soc. Cons.pa and adjusted normalised net profit (and normalised net profit where this is not available) at the level of the individual business. Lastly, further profit targets have been set at the individual level, including profit on continuing operations before tax (POCBT) normalised at Group level, core income at legal entity level and customer satisfaction, in addition to specific indicators associated with individual positions.

Exclusively for the members of the Management Board who are beneficiaries of the Scheme, a share of the bonus may be adjusted on the basis of the position of the UBI Banca share (Total Shareholder Return - TSR) compared with the listed banks in the reference benchmark.

In order to ensure capital stability, liquidity and the capability to generate risk-adjusted profit over time, consistent with the long-term strategic objectives of the Bank or company, the deferred portion is paid on condition that adequate levels of Common Equity Tier 1, Net Stable Funding Ratio and RORAC are maintained at Group level. The deferred portions of the bonus will not be paid if these conditions are not met (malus).

4.6. Details of any restrictions on the availability of the shares, with particular reference to the periods within which the subsequent transfer to the company or to third parties is permitted or prohibited.

The portion of shares that vests immediately is subject to a two-year retention period, while the deferred portion of shares is subject to a one-year retention period.

4.7. Description of any termination conditions for grants under the Schemes if the beneficiaries conduct hedging transactions that neutralise any restrictions on the sale of the financial instruments granted, including in the form of options, or the financial instruments resulting from the exercise of those options.

The Scheme does not have any termination conditions of this kind.

4.8. Description of the effects generated by the termination of the employment relationship.

All rights to deferred bonuses are lost under the Scheme if the employment relationship is terminated during the period considered, with the sole exception of cases of termination of the relationship because retirement requirements have been met for which rights on amounts vested but not yet paid are normally maintained. This also applies in the event of the death of the beneficiary, to the benefit of the legitimate heirs.

4.9. Details of any other reasons for the cancellation of the Scheme.

The Scheme does not have any cancellation clauses, with the exception of the application of clawback mechanisms in the event of fraudulent conduct or gross negligence.

4.10. The reasons for the provision of any " buy-back" by UBI Banca of the shares involved in the Scheme, pursuant to Articles 2357 and following of the Italian Civil Code; the beneficiaries of the buy-back, specifying whether it only applies to particular categories of employees; and the effects of the termination of the employment relationship on the redemption.

The Scheme does not provide for the buy-back by UBI Banca or other companies of the Group of the shares involved in the Scheme.

4.11. Any loans or concessions to be granted for the purchase of the shares pursuant to Article 2358, paragraph 3, of the Italian Civil Code.

The Scheme does not provide for loans or concessions for the purchase of the shares involved in the Scheme.

4.12. Details of the valuations of the expected liability for the company as at the grant date, as determinable on the basis of the terms and conditions already defined, by overall amount and for each instrument of the Scheme.

A maximum theoretical requirement of 665,000 shares is currently estimated, but it is not possible to determine the exact cost of the expected requirement, as it is subject to the satisfaction of particular conditions and the achievement of objectives.

The Scheme provides for the use of a number of treasury shares held by the Parent corresponding to the maximum value of the bonuses payable in shares (with subsequent reimbursement by the individual Group companies for which the beneficiaries of the shares work).

4.13. Specification of any dilution effect on share capital resulting from the granting of the shares.

Since the Scheme will be serviced by the use of treasury shares held by the Parent, its adoption will not have any dilution effect on UBI Banca's share capital.

4.14. Any limits set on the exercise of voting rights and on the assignment of economic rights.

No limits have been set on the exercise of voting rights or on the assignment of economic rights.

4.15. If the shares are not traded on regulated markets, any other information needed to properly measure the value attributable to them.

The Scheme will only use shares traded on regulated markets.

24th February 2015

THE MANAGEMENT BOARD

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS
Table No. 1 of scheme 7 of Annex 3A of Regulation No. 11971/1999

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS TABLE NO. 1 OF SCHEME 7 OF ANNEX 3A OF REGULATION NO. 11971/1999								
Name or category	Position (to be given only for persons reported by name)	BOX 1 Financial instruments other than options (e.g. Stock grant)						
		Section 1 Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions Short-term incentive scheme 2011, 2012, 2013 and 2014						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date (*)	Purchase price of instruments, if applicable	Market price when granted (*)	Vesting period
Massiah Victor	- Chief Executive Officer	30/04/2011						
		28/04/2012						
		20/04/2013						
		10/05/2014 (***)	Ordinary shares of UBI Banca	19,808	2015	3.6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	29,711	2018	3.6419	5,9657	5
	TOTAL			49,519				
Iorio Francesco (**)	- General Manager of UBI Banca	30/04/2011 (****)	Ordinary shares of UBI Banca	19,891	2012	3.6419	2.3923	3
		30/04/2011	Ordinary shares of UBI Banca	13,261	2015	3.6419	2.3923	5
		28/04/2012						
		20/04/2013						
		10/05/2014 (****)	Ordinary shares of UBI Banca	8,004	2015	3.6419	5,9657	3
		10/05/2014 (****)	Ordinary shares of UBI Banca	12,006	2018	3.6419	5,9657	5
	TOTAL			53,162				
Sonnino Elvio	- Senior Deputy General Manager of UBI Banca	30/04/2011						
		28/04/2012						
		20/04/2013	Ordinary shares of UBI Banca	4,355	2014	3.6419	6.4440	3
		20/04/2013	Ordinary shares of UBI Banca	2,903	2017	3.6419	6.4440	5
		10/05/2014 (****)	Ordinary shares of UBI Banca	7,265	2015	3.6419	5,9657	3
		10/05/2014 (****)	Ordinary shares of UBI Banca	4,844	2018	3.6419	5,9657	5
	TOTAL			19,367				
Leidi Rossella	- Deputy General Manager of UBI Banca	30/04/2011						
		28/04/2012						
		20/04/2013						
		10/05/2014 (****)	Ordinary shares of UBI Banca	5,027	2015	3.6419	5,9657	3
		10/05/2014 (****)	Ordinary shares of UBI Banca	3352	2018	3.6419	5,9657	5
	TOTAL			8,379				
Medda Ettore Giuseppe	- Deputy General Manager of UBI Banca	30/04/2011						
		28/04/2012						
		20/04/2013	Ordinary shares of UBI Banca	2,999	2014	3.6419	6.4440	3
		20/04/2013	Ordinary shares of UBI Banca	1,999	2017	3.6419	6.4440	5
		10/05/2014 (****)	Ordinary shares of UBI Banca	5,240	2015	3.6419	5,9657	3
		10/05/2014 (****)	Ordinary shares of UBI Banca	3493	2018	3.6419	5,9657	5
	TOTAL			13,731				

Rigamonti Pierangelo (*****)	- Deputy General Manager of UBI Banca	30/04/2011						
		28/04/2012						
		20/04/2013	Ordinary shares of UBI Banca	2,672	2014	3,6419	6,4440	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	4,583	2015	3,6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	3,056	2018	3,6419	5,9657	5
	TOTAL			10,311				
Executive Board Members and General Managers of the Group		30/04/2011 (****)	Ordinary shares of UBI Banca	30,333	2012	3,6419	2,3923	3
		30/04/2011	Ordinary shares of UBI Banca	20,222	2015	3,6419	2,3923	5
		28/04/2012	Ordinary shares of UBI Banca	16,219	2013	3,6419	3,9811	3
		28/04/2012	Ordinary shares of UBI Banca	10,813	2016	3,6419	3,9811	5
		20/04/2013	Ordinary shares of UBI Banca	22,250	2014	3,6419	6,4440	3
		20/04/2013	Ordinary shares of UBI Banca	11,744	2017	3,6419	6,4440	5
		10/05/2014 (***)	Ordinary shares of UBI Banca	24,039	2015	3,6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	14,249	2018	3,6419	5,9657	5
	TOTAL			149,869				
UBI Managers of main lines of business		30/04/2011 (****)	Ordinary shares of UBI Banca	6,583	2012	3,6419	2,3923	3
		30/04/2011	Ordinary shares of UBI Banca	4,389	2015	3,6419	2,3923	5
		28/04/2012						
		20/04/2013	Ordinary shares of UBI Banca	18,043	2014	3,6419	6,4440	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	34,348	2015	3,6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	4,246	2018	3,6419	5,9657	5
	TOTAL			67,609				
Managers of main lines of business of the Group		30/04/2011 (****)	Ordinary shares of UBI Banca	155,313	2012	3,6419	2,3923	3
		30/04/2011	Ordinary shares of UBI Banca	103,540	2015	3,6419	2,3923	5
		28/04/2012	Ordinary shares of UBI Banca	37,187	2013	3,6419	3,9811	3
		28/04/2012	Ordinary shares of UBI Banca	24,791	2016	3,6419	3,9811	5
		20/04/2013	Ordinary shares of UBI Banca	20,818	2014	3,6419	6,4440	3
		20/04/2013	Ordinary shares of UBI Banca	9,164	2017	3,6419	6,4440	5
		10/05/2014 (***)	Ordinary shares of UBI Banca	25,906	2015	3,6419	5,9657	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	13,060	2018	3,6419	5,9657	5
	TOTAL			389,779				
Managers of highest level of control functions		30/04/2011 (****)	Ordinary shares of UBI Banca	4,688	2012	3,6419	2,3923	3
		30/04/2011	Ordinary shares of UBI Banca	3,126	2015	3,6419	2,3923	5
		28/04/2012						
		20/04/2013	Ordinary shares of UBI Banca	17,767	2014	3,6419	6,4440	3
		10/05/2014 (***)	Ordinary shares of UBI Banca	10,439	2015	3,6419	5,9657	3
	TOTAL			36,020				

(*) Financial instruments have been promised on the date indicated, but will not be granted until the end of the vesting period.

(**) The financial instruments for dott. Iorio relate to the 2011 Scheme, when he occupied the position of General Manager of Banca Popolare Commercio e Industria Spa.

(***) The figures have been estimated on preliminary data and may be subject to change.

(****) Financial instruments granted in 2014

(*****) The cost of the financial instruments is borne by a company in which he holds another position.

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS
Table No. 1 of scheme 7 of Annex 3A of Regulation No. 11971/1999

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS TABLE NO. 1 OF SCHEME 7 OF ANNEX 3A OF REGULATION NO. 11971/1999								
Name or category	Position (to be given only for persons reported by name)	BOX 1 Financial instruments other than options (e.g. Stock grant)						
		Section 2 Newly granted financial instruments on the basis of a decision by the Supervisory Board to make the proposal to the 2015 AGM 2015 Short-term incentive scheme						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date	Purchase price of instruments, if applicable	Market price when granted	Vesting period
Massiah Victor	- Chief Executive Officer	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Iorio Francesco	- General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Sonnino Elvio	- Senior Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Leidi Rossella	- Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Medda Ettore Giuseppe	- Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Rigamonti Pierangelo	- Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Senior Management: Executive board members and general managers of Group companies *		25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Material risk-takers: Managers of the main lines of business *		25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Material risk-takers: Managers of the highest level of control functions *		25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA

* The names of the persons in the positions reported will be given at a later stage when the scheme is implemented.

Information document pursuant to Art. 84-bis of the Issuers' Regulations - Long-term Incentive Plan (three year)

Introduction

In compliance with the requirements of Art. 114-bis of Legislative Decree No. 58 of 24th February 1998 (the [Consolidated Finance Act](#)) and the requirements of the Issuers' Regulations adopted by Consob Resolution No. 11971 of 14th May 1999 (the [Issuers' Regulations](#)) concerning the information to be disclosed to the market in relation to remuneration schemes based on financial instruments, this Information Document (the [Information Document](#)) has been prepared to provide details of the implementation of the three-year incentive plan ([long-term scheme](#)) through the grant of ordinary shares of UBI Banca to a limited number of Top Managers among the Key Personnel. This plan was proposed in the context of the remuneration and incentives policies of the Group and submitted for the approval of the Shareholders' Meeting of 24th April 2015 in first call and 25th April 2015 in second call.

The plan is intended to bring the interests of management increasingly into line with those of shareholders, in a perspective of creating long-term value, in compliance with legislation and regulations in force and best market practices.

This Information Document - prepared in accordance with Schedule 7 of Annex 3A of the Issuers' Regulations - provides information to the public on the conditions established for the implementation of the Scheme.

According to the definition contained in Art. 84-bis of the Issuers' Regulations, the Scheme qualifies as a "significant scheme", due to the nature of its beneficiaries.

Definitions

The meaning of some terms used in the Information Document is given below.

[Shareholders' Meeting](#) - The Shareholders' Meeting of UBI Banca that will approve the Scheme

[Beneficiaries](#) - Employees of UBI Banca or the Group categorised as Top or Core Key Personnel, in accordance with the provisions of the 2015 Group Remuneration and incentives policy.

[Clawback](#): mechanism that provides for the repayment of a bonus that has already been paid out.

[Remuneration Committee](#) - the committee required by the Corporate Governance Code, the composition and functions of which are described in the Corporate Governance Report pursuant to Art. 123-bis of the Consolidated Finance Act and in the Report on Remuneration prepared in accordance with Art. 123-ter of the Consolidated Finance Act and Art. 84-*quater* of the Issuers' Regulations.

[Common Equity Tier 1 \(CET 1\)](#) - in terms of regulatory capital, this is the highest quality core capital (composed of the total ordinary shares issued by the Bank that satisfy the regulatory classification criteria, share premium reserves, retained profits, valuation reserves and other reserves recognised) net of the deductions required by the regulations as a ratio of Risk Weighted Assets (RWA).

["Gate"](#) - condition required to trigger incentive schemes, related to Group capital stability and liquidity indicators.

[Leverage Ratio \(LR\)](#) - Financial leverage calculated as the ratio of Tier I fully loaded and the degree of total exposure including all the assets and off-balance sheet items not deducted pursuant to article 429 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26th June 2013 (CRR). Pending application of the requirement, subject to approval by the European Council and Parliament of a specific proposal for legislation based on a report which must be submitted to the Commission by the end of 2016, the level of the indicator set by the Basel 3 framework is used as the value for risk capacity.

[Liquidity Coverage Ratio \(LCR\)](#) - indicator designed to ensure that a Bank maintains sufficient high quality liquid assets available which can be converted into cash to meet liquidity requirements over a period of 30 days in a stress scenario defined by the Supervisory Authority. It is defined as the ratio of the stock of

“available high quality liquid assets” and the sum of “net cash outflows over a time horizon of 30 days, estimated in a context of normal business and supplemented by situations of stress”.

Targets - performance indicators defined in the 2015 Group Remuneration and incentive policies and detailed in the regulations of each beneficiary, the achievement of which (subject to the triggering of entry thresholds or “gates”) is a condition for the financial instruments to be granted.

Net Stable Funding Ratio (NSFR) - indicator of structural balance designed to monitor and contain risk associated with the transformation of maturities within a tolerance threshold considered acceptable by the Group.

It is the ratio of funding (liabilities) to weighted lending (assets), which takes account of the stability of the liabilities and the degree of liquidity of the assets.

Total Shareholder Return (TSR) - expresses the increase in the value of the share, calculated for the purposes of the short-term incentive scheme as a percentage difference between the daily average in December 2014 and the daily average in December 2017, including the value of any dividends paid (excluding the possibility that they could be reinvested). They are compared with banks in the reference benchmark that are listed in regulated markets, on the basis of the quartile positioning of the UBI Banca Group. The method provides for normalisations in the event of exceptional circumstances (e.g. increases in capital).

Return On risk-adjusted capital (RORAC) - expresses the profitability in percentage terms of capital at risk calculated as the ratio between NOPAT (net operating profit after tax) and average allocated (budgeted) capital or average absorbed (actual) capital.

Profit on continuing operations before tax (POCBT) is considered net of extraordinary and non-recurring items.

Normalised net profit, adjusted for the cost of capital “delta”: calculated as the algebraic sum of the net profit in the income statement - net of non-recurring extraordinary items and the cost relating to incentive schemes - and of the (positive or negative) difference between the absorbed and allocated capital, measured on the basis of the cost of capital (set at 10.31% for 2015).

Normalised net profit (NNP) is considered net of non-recurring extraordinary items and the cost relating to incentives schemes.

1. BENEFICIARIES

The long-term incentive plan concerns a small number of Top Managers among the Key Personnel, on the basis of the strategic position occupied in policy terms over the governance of the Group and their impact on the main business areas.

1.1 The names of the beneficiaries who are members of the Board of Directors or the Management Board of the issuer of the financial instruments, of the companies controlling the issuer, and of the companies controlled, directly or indirectly, by the issuer.

The Chief Executive Officer of UBI Banca, Dott. Victor Massiah, the General Manager, Dott. Francesco Iorio and the Senior Deputy General Manager, Dott. Elvio Sonnino are among the potential beneficiaries of the Scheme.

Furthermore, some of the beneficiaries of the Scheme - who are employees of the UBI Banca Group - in addition to carrying out managerial duties related to their roles, also hold positions within the managing bodies of the companies directly or indirectly controlled by UBI Banca. Given that these persons qualify as potential beneficiaries of the Scheme in their capacity as employees of the UBI Banca Group, they are not named in this section, but the information provided below refers to them.

1.2 The categories of employees or associate workers of the issuer of the financial instruments and of the companies controlling or controlled by the issuer.

The Scheme also covers the following categories of employees of UBI Banca and certain of the Group companies:

- Deputy general managers and Chiefs of UBI Banca (with the exception of Chiefs of the control functions and the Senior Officer Responsible)
- General Managers and Executive Directors of the UBI Banca Group companies listed below
- The companies in the UBI Banca Group involved in the scheme are as follows: Banca Popolare di Bergamo S.p.A., Banco di Brescia S.p.A., Banca Popolare Commercio e Industria S.p.A., Banca Regionale Europea S.p.A, Banca Popolare di Ancona S.p.A., Banca Carime S.p.A., Banca di Valle Camonica S.p.A., UBI Banca Sistemi e Servizi Soc. Cons.p.A., UBI Banca Pramerica SGR S.p.A., UBI Banca Leasing S.p.A., UBI Banca Factor S.p.A., IW Bank S.p.A., Prestitalia, UBI Banca International.

1.3 The names of the persons who benefit from the plan belonging to the following groups:

- a) general managers of the issuer of financial instruments;**
- b) other key management personnel of the issuer of financial instruments which is not of “small dimensions”, pursuant to article 3, paragraph 1, letter f) of Regulation No. 17221 of 12th March 2010, where they have received total remuneration during the financial year (obtained by summing cash remuneration and remuneration based on financial instruments) that is higher than the total highest remuneration paid to members of the Board of Directors, or to the Management Board and to the General Managers of the issuer of financial instruments;**
- c) the natural persons controlling the issuer of shares, who are employees or work on contract within the issuer of shares.**

Dott. Francesco Iorio General Manager of UBI Banca is one of the potential beneficiaries of the Scheme.

1.4 Description and number, by category:

- a) key management personnel other than those indicated in letter b) of paragraph 1.3;**
 - b) for companies of “small dimensions”, pursuant to article 3, paragraph 1, letter f) of Regulation No. 17221 of 12th March 2010, information by total for all key management personnel of the issuer of financial instruments;**
 - c) any other category of employee or associate worker subject to different treatment under the Scheme (for example, executives, middle managers, office staff, etc.).**
- a) In addition to the members of the Management Board, the Deputy General Manager - Chief of General Affairs and Subsidiaries; the Deputy General Manager - Chief Business Officer and the Chief Lending Officer, amounting to six beneficiaries.

2. THE REASONS FOR ADOPTION OF THE SCHEME

Details of the reasons underlying the adoption of the Scheme are given in the Remuneration Report prepared in accordance with article 123-*ter* of the Consolidated Finance Act and article 84-*quater* of the Issuers’ Regulations, which may be consulted.

3. APPROVAL PROCESS AND TIMING OF GRANTS

3.1. Scope of the powers and functions assigned by shareholders to the Management Board for the purposes of the implementation of the Scheme

The remuneration and incentive policies of the UBI Banca Group were approved by the Supervisory Board in a meeting held on 3rd February 2015. at the time when the target bonuses for the beneficiaries of the Scheme were set.

3.2. Names of the parties assigned to administer the Scheme and their function and responsibilities

The Human Resources Area of UBI Banca is responsible for the administration of the Scheme.

Bank of Italy Supervisory provisions also require the Remuneration Committee to furnish an opinion, with the assistance of information received from the corporate functions in question, on the achievement of the performance objectives linked to the incentive schemes and on the satisfaction of the other conditions set for the payment of the remuneration.

3.3. Any existing procedures for the revision of the Scheme, with respect, amongst other things, to changes in the key objectives

The Supervisory Board, on the basis of proposals submitted by the Management Board and in consultation with the Remuneration Committee, reserves the right to evaluate possible revisions during the reference period.

3.4. Description of the methods used to determine the availability and the granting of the financial instruments underlying the Scheme.

The mechanism provides for the use of a number of treasury shares held by the Parent (with the cost charged to the individual companies in which the beneficiaries of the shares work), corresponding to the maximum amount of the bonuses to be paid. The shares will be "promised" to the beneficiaries by means of specific notification until they are actually granted at the end of a one-year retention period. Under this mechanism the value of the bonus paid may vary according to the performance of the share price.

3.5. The role performed by each director in determining the features of the above mentioned schemes and the occurrence of any situations of conflicts of interest for the directors involved.

The Supervisory Board has identified the key elements of the Scheme on the basis of the opinion issued by the Remuneration Committee of UBI Banca.

No member of UBI Banca Group senior management is involved in the approval of the resolutions adopted by the Supervisory Board and the Remuneration Committee.

3.6. For the purposes of the requirements of Article 84-bis, paragraph 1, the date of the decision made by the body responsible for proposing the approval of the schemes to the Shareholders' Meeting and the proposal by the remuneration committee, if present.

On 24th February 2015, the Management Board approved the proposal for the long-term Scheme to be submitted to the Ordinary Shareholders' Meeting of UBI Banca, convened for 24th and 25th April, in first and second call respectively, consistent with the remuneration and incentives policies of the UBI Banca Group, approved by the Supervisory Board on 3rd February 2015, on the basis of a recommendation made by the Remuneration Committee.

3.7. For the purposes of the requirements of Article 84-bis, paragraph 5, the date of the decision made by the body responsible for the assignment of the instruments and any proposal to the aforementioned body made by the remuneration committee, if present.

On 26th January 2015, the Remuneration Committee of UBI Banca voted on the 2015 Group Remuneration and incentive policies approved by the Supervisory Board on 3rd February 2015 and adopted by the Management Board on 11th February 2015.

3.8. The market price, recorded on the aforesaid dates, for the financial instruments on which the schemes are based, if traded in regulated markets.

The official market price of the ordinary shares of UBI Banca recorded on the dates of meetings of the Remuneration Committee (26th January 2015), the Supervisory Board (3rd February 2015) and the Management Board (11th February 2015) was €6.370, €6.044 and €6.323 respectively.

- 3.9. For plans based on financial instruments traded on regulated markets, what are the terms and procedures adopted by the issuer in determining the timing of the grant of the financial instruments to take account of coincidences in the timing of:**
- i) the aforementioned grant or any related decisions taken by the remuneration committee, and**
 - ii) the disclosure of any relevant information pursuant to Article 114, paragraph 1; for example, when the information is:**
 - a. not already public and capable of positively influencing the market prices, or**
 - b. already published and capable of negatively influencing the market prices.**

During approval and implementation of the Scheme, information shall be disclosed to markets as required by the laws and regulations in force from time to time.

4. THE CHARACTERISTICS OF THE INSTRUMENTS GRANTED

4.1. Description of the structure of the remuneration schemes based on financial instruments.

The long-term scheme provides for bonuses to be paid entirely in UBI Banca shares, which are considered the most appropriate instruments for aligning the interests of shareholders with those of management; these shares are subject to retention and deferral clauses.

4.2. Specification of the Scheme's effective period of implementation, also with reference to any cycles established.

The implementation period for the long-term scheme will start in 2015 and end in 2021, according to the following schedule:

- a) 2015-2017: the Human Resources Area shall assess performances over the three year period and submit the results to the decision-making bodies of the Group.
If the conditions for triggering the Scheme are met and the individual and Group performance objectives are achieved, the variable component of the remuneration shall be converted into UBI Banca shares and shall be subject to retention and deferral clauses that align the incentives to the Bank's long-term interests according to the following schedule:
 - 60% of this variable component in shares will vest upfront and be subject to a retention clause until 2020;
 - the remaining 40% shall be deferred and shall be subject to performance conditions over the period 2018-2019;
- b) 2020: verification of the performance conditions over the period 2018-2019 and if they are exceeded, the remaining 40% shall be promised and subject to a further retention period until 2021;
- d) 2021: at the end of the retention period, if the performance conditions for 2020 are met, the remaining 40% of the portion earned will be granted to the potential beneficiaries.

4.3. End of the Scheme.

The implementation of the 2015-2017 long-term scheme will end in 2021

4.4. The maximum number of financial instruments, including those in the form of options, granted in each tax year in relation to the persons identified by name or the categories stated.

Taking as a reference the average monthly share price calculated 30 days before the date of the approval of the 2015 Remuneration and incentives policies (€5.93) and in consideration of the

maximum remuneration that can be paid against the triggering of the incentives schemes and related performances, the maximum number of shares that may potentially be granted in each tax year is approximately 330,000, amounting to a total of 1,000,000 shares.

4.5. Trigger procedures and clauses for the Scheme, specifying whether the grant of instruments is subject to conditions being met or the achievement of determined results, including performance related results; a description of those conditions and results

Triggering of the Scheme is strictly linked to the satisfaction of conditions (“gates”) that guarantee the capital stability and liquidity of the Group, specifically the Common Equity Tier 1, Net Stable Funding Ratio, Liquidity Coverage Ratio and Leverage Ratio.

While the preliminary access conditions (“gates”) are not affected, value creation objectives have been set, evaluated on the basis of a performance matrix with two indicators:

- Group RORAC, calculated at the end of the three-year period and related to the average yield of BTPs (Italian government bonds) at three years in the reference period;
- Total Shareholder Return (TSR), which measures the performance of the UBI Banca share, compared in terms of quartile positioning with the listed banks in the reference peer group.

In order to ensure capital stability and liquidity over time, consistently with long-term strategic objectives, the deferred portion is paid on condition that adequate levels of capital stability (Common Equity Tier 1) and liquidity (Net Stable Funding Ratio) are maintained at the end of the deferral period, as set out in the corporate implementation regulations.

The deferred portion of the bonus will not be paid if these conditions are not met (malus).

4.6. Details of any restrictions on the availability of the shares, with particular reference to the periods within which the subsequent transfer to the company or to third parties is permitted or prohibited.

The portion of shares that vests immediately is subject to a two-year retention period, while the deferred portion of shares is subject to a one-year retention period.

4.7. Description of any termination conditions for grants under the Schemes if the beneficiaries conduct hedging transactions that neutralise any restrictions on the sale of the financial instruments granted, including in the form of options, or the financial instruments resulting from the exercise of those options.

The Scheme does not have any termination conditions of this kind.

4.8. Description of the effects generated by the termination of the employment relationship.

All rights to deferred bonuses are lost under the Scheme if the employment relationship is terminated during the period considered, with the sole exception of cases of termination of the relationship because retirement requirements have been met for which rights on amounts vested but not yet paid are normally maintained. This also applies in the event of the death of the beneficiary, to the benefit of the legitimate heirs.

4.9. Details of any other reasons for the cancellation of the Scheme.

The Scheme does not have any cancellation clauses, with the exception of the application of clawback mechanisms in the event of fraudulent conduct or gross negligence.

4.10. The reasons for the provision of any " buy-back" by UBI Banca of the shares involved in the Scheme, pursuant to Articles 2357 and following of the Italian Civil Code; the beneficiaries of the buy-back, specifying whether it only applies to particular categories of employees; and the effects of the termination of the employment relationship on the redemption.

The Scheme does not provide for the buy-back by UBI Banca or other companies of the Group of the shares involved in the Scheme.

4.11. Any loans or concessions to be granted for the purchase of the shares pursuant to Article 2358, paragraph 3, of the Italian Civil Code.

The Scheme does not provide for loans or concessions for the purchase of the shares involved in the Scheme.

4.12. Details of the valuations of the expected liability for the company as at the grant date, as determinable on the basis of the terms and conditions already defined, by overall amount and for each instrument of the Scheme.

It is not currently possible to determine the exact amount of the expected liability, as it is subject to the satisfaction of particular conditions and the achievement of objectives.

The scheme involves the purchase by the Parent (with subsequent reimbursement by the individual Group companies for which the beneficiaries of the shares work) of a number of its treasury shares corresponding to the maximum value of the bonuses. This maximum value is approximately €6,000,000 and the number of shares to be purchased will consequently depend on the price of the shares at the time of purchase.

The Ordinary Shareholders' Meeting is therefore asked to grant an authorisation to the Management Board for the purchase of a number of treasury shares up to a maximum value of €6,000,000.

4.13. Specification of any dilution effect on share capital resulting from the granting of the shares.

Since the Scheme will be serviced by the purchase of treasury shares in the market, its adoption will not have any dilution effect on UBI Banca' s share capital.

4.14. Any limits set on the exercise of voting rights and on the assignment of economic rights.

No limits have been set on the exercise of voting rights or on the assignment of economic rights.

4.15. If the shares are not traded on regulated markets, any other information needed to properly measure the value attributable to them.

The Scheme will only use shares traded on regulated markets.

24th February 2015

THE MANAGEMENT BOARD

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS
Table No. 1 of scheme 7 of Annex 3A of Regulation No. 11971/1999

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS TABLE NO. 1 OF SCHEME 7 OF ANNEX 3A OF REGULATION NO. 11971/1999								
Name or category	Position (to be given only for persons reported by name)	BOX 1 Financial instruments other than options (e.g. Stock grant)						
		Section 1 Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions Long-term incentive scheme						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date (*)	Purchase price of instruments, if applicable	Market price when granted (*)	Vesting period
Massiah Victor	- Chief Executive Officer	NA	NA	NA	NA	NA	NA	NA
Iorio Francesco	- General Manager of UBI Banca	NA	NA	NA	NA	NA	NA	NA
Sonnino Elvio	- Senior Deputy General Manager of UBI Banca	NA	NA	NA	NA	NA	NA	NA
Leidi Rossella	- Deputy General Manager of UBI Banca	NA	NA	NA	NA	NA	NA	NA
Medda Ettore Giuseppe	- Deputy General Manager of UBI Banca	NA	NA	NA	NA	NA	NA	NA
Senior Management: Executive board members and general managers of Group companies *		NA	NA	NA	NA	NA	NA	NA
Material risk-takers: Managers of the main lines of business *		NA	NA	NA	NA	NA	NA	NA

* The names of the persons in the positions reported will be given at a later stage when the scheme is implemented.

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS
Table No. 1 of scheme 7 of Annex 3A of Regulation No. 11971/1999

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS TABLE NO. 1 OF SCHEME 7 OF ANNEX 3A OF REGULATION NO. 11971/1999								
Name or category	Position (to be given only for persons reported by name)	BOX 1 Financial instruments other than options (e.g. Stock grant)						
		Section 2 Newly granted financial instruments on the basis of a proposal to the 2015 AGM 2015 Long-term incentive scheme						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date	Purchase price of instruments, if applicable	Market price when granted	Vesting period
Massiah Victor	- Chief Executive Officer	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Iorio Francesco	- General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Sonnino Elvio	- Senior Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Leidi Rossella	- Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Medda Ettore Giuseppe	- Deputy General Manager of UBI Banca	25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Senior Management: Executive board members and general managers of Group companies *		25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
Material risk-takers: Managers of the main lines of business *		25/04/2015	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA

* The names of the persons in the positions reported will be given at a later stage when the scheme is implemented.